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Lindon Man Charged In Investment Fraud

The Utah Division of Securities and the Attorney General's Office announced today that Lindon Kay Parks of Lindon, Utah has been charged in Fourth Judicial District Court with four counts of second degree felony Securities Fraud, one count of third degree felony Sales by an Unlicensed Broker-Dealer or Agent, and one count of third degree felony Sale of an Unregistered Security. Parks' first court appearance is scheduled on March 2, 2004.

The defendant operated Stoneridge Capital, L.C., a company purportedly in the business of providing bridge-loans to individuals needing short-term funding. Stoneridge used investor money to fund the loans. Parks allegedly represented to investors that their investment would be secured by deeds of trust and that the value of the security always exceeded the loan. Promotional material from Stoneridge promised an average return of 22.7%. Between late 1995 and February 2000, at least 12 individuals invested more than 3.1 million dollars in Stoneridge and eventually sustained losses of more than 2.6 million dollars. Evidence from bank records revealed that investor money was used to pay off prior investors, commissions, and other business expenses. In addition, investor money was not secured by deeds of trust.

The Utah Division of Securities is interested in talking to any other individuals who may have invested money with Stoneridge Capital. Interested parties may contact the Division of Securities at 801-530-6600.